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**AGENDA
METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA-**

AUDIT REVIEW COMMITTEE

**Conference Room C
Alachua County Administration Building
Gainesville, Florida**

**Thursday, 2:00 p.m.
March 22, 2012**

MTPO Staff Recommendation

I. Approval of the April 6, 2011 Minutes

APPROVE MINUTES

II. Review of the Fiscal Year 2010-11 Audit

**RECOMMEND ACCEPTANCE
OF AUDIT**

III. Authorize Payment of Auditor

RECOMMEND FINAL PAYMENT

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METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA
AUDIT REVIEW COMMITTEE
MINUTES

Commissioner Conference Room
Gainesville City Hall, 200 East University Avenue
Gainesville, FL

April 6, 2011
4:00 p.m.

MEMBERS PRESENT

Commissioner Lauren Poe, Chair
Commissioner Susan Baird

OTHER PRESENT

Richard Powell, Powell & Jones
Certified Public Accountants

STAFF PRESENT

Scott R. Koons
Marlie Sanderson

The meeting was called to order by Chair Poe at 4:05 p.m.

I. REVIEW OF FISCAL YEAR 2009-10 AUDIT

Richard Powell of Powell & Jones, Certified Public Accountants, reviewed the Fiscal Year 2009-10 Audit. Following discussion, the following action was taken.

ACTION: By consensus, the Committee recommended to the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area acceptance and approval of the Fiscal Year 2009-10 Annual Audit prepared by Powell & Jones, Certified Public Accountants.

II. AUTHORIZE PAYMENT OF AUDITOR

ACTION: By consensus, the Committee recommended to the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area authorization of final payment for audit services to the auditor, Powell & Jones, Certified Public Accountants.

The meeting adjourned at 4:30 p.m.

Commissioner Susan Baird, Chair

Date



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March 15, 2012

TO: Honorable Susan Baird, Alachua County Commission
Honorable Susan Bottcher, Gainesville City Commission

FROM: Scott R. Koons, AICP, Executive Director

SUBJECT: **Fiscal Year 2011 Audit Review Committee Meeting**

STAFF RECOMMENDATION

Approve a motion to accept the audit report for Fiscal Year 2011 and approve the invoice for payment to the auditor.

BACKGROUND

Please find attached a copy of the Auditor's Report for the fiscal year ended September 30, 2011. In October 2011, the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area appointed Commissioner Susan Baird and Commissioner Susan Bottcher to an Audit Review Committee. The Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area also decided to have Commissioner Baird serve as Committee Chair.

Audit Review Committee Meeting

The Audit Review Committee will meet on Thursday, March 22, 2011 at 2:00 p.m. This meeting will be held in the Alachua County Administration Building, Conference Room C.

Attachment

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Dedicated to improving the quality of life of the Region's citizens,
by coordinating growth management, protecting regional resources,
promoting economic development and providing technical services to local governments.

DRAFT

**METROPOLITAN TRANSPORTATION
PLANNING ORGANIZATION FOR THE
GAINESVILLE URBANIZED AREA**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2011.

**METROPOLITAN TRANSPORTATION PLANNING
ORGANIZATION FOR THE GAINESVILLE URBANIZED AREA**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2011

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To Metropolitan Transportation
Planning Organization for the
Gainesville Urbanized Area
Gainesville, Florida

We have audited the accompanying basic financial statements of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area (the Organization), as of and for the year ended September 30, 2011. These basic financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Organization, as of September 30, 2011, and the results of its operations and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2012, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 6 through 8, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis and to meet the requirements of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the Organization. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

POWELL & JONES
Certified Public Accountants
January 10, 2012

**METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA
Management's Discussion and Analysis**

This discussion and analysis is intended to be an easily readable analysis of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area's (the Organization) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

Report Layout

The Organization has implemented Governmental Accounting Standards Board (GASB) Statement 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". This Statement requires governmental entities to report finances in accordance with specific guidelines. Among those guidelines are the components of this section dealing with management's discussion and analysis. Besides this Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, and the notes to the financial statements. The first two statements are condensed and present a government-wide view of the Organization's finances. Within this view, all the Organization's operations are categorized as applicable, and reported as either governmental or business-type activities. Governmental activities include basic planning related services and general administration. The Organization had no business-type activities in this fiscal year. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the Organization.

Basic Financial Statements

The Statement of Net Assets focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets of the Organization, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Governmental activities are reported on the accrual basis of accounting.

- The Statement of Activities focuses gross and net costs of the Organization's programs and the extent, if any, to which such programs rely upon general revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on governmental and proprietary funds, as applicable. Governmental fund statements follow the more traditional presentation of financial statements. As stated above, the Organization has no proprietary funds and business-type activities.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Organization's financial condition.
- The MD&A is intended to serve as an introduction to the Organization's basic financial statements and to explain the significant changes in financial position and differences in operations between the current and prior years.

Condensed Financial Information

Condensed financial information from the statements of net assets as of September 30, 2011 and 2010, and statements of activities for the years ended September 30, 2011 and 2010, are as follows:

	Governmental Activities	
	Total Government	
	September 30,	
	2011	2010
Assets:		
Cash	\$ 60,814	\$ 62,622
Receivables	146,640	186,151
Total assets	<u>207,454</u>	<u>248,773</u>
Liabilities:		
Accounts payable	146,594	188,598
Total liabilities	<u>146,594</u>	<u>188,598</u>
Net Assets:		
Unrestricted	60,860	60,175
Total net assets	<u>\$ 60,860</u>	<u>\$ 60,175</u>

During the year ended September 30, 2011, there was an increase in net assets of \$685, due to normal operations during the year.

Condensed versions of the Statement of Activities for the years ended September 30, 2011 and 2010 follow:

	Governmental Activities	
	Total Government	
	Fiscal Year Ended September 30,	
	2011	2010
Revenues		
Program revenues		
Member dues	\$ 24,000	\$ 24,000
Operating grants	656,436	766,208
In-kind contributions	107,019	123,254
Total revenues	<u>787,455</u>	<u>913,462</u>
Expenses		
Transportation planning services	<u>786,770</u>	<u>912,462</u>
Total expenses	<u>786,770</u>	<u>912,462</u>
Change in net assets	685	1,000
Beginning net assets	60,175	59,175
Ending net assets	<u>\$ 60,860</u>	<u>\$ 60,175</u>

Governmental activities

Transportation planning program activities remained similar to the prior year except that total expenses decreased approximately 14%, which were the result of grant revenues also decreasing approximately 14%.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2011, the Organization had no capital assets titled in its name. All of the capital assets utilized in the Organization's programs are owned by North Central Florida Regional Planning Council, its administering agency.

Debt Outstanding

At September 30, 2011, the Organization had no outstanding debt.

Financial Contact

The Organization's financial statements are designed to present users (citizens, taxpayers, customers, and creditors) with a general overview of the Organization's finances and to demonstrate the Organization's accountability. If you have questions about the report or need additional financial information, please contact the Organization's Executive Director at 2009 NW 67th Place, Gainesville, Florida 32653-1603.

**METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA**

STATEMENT OF NET ASSETS

September 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 60,814
Accounts receivable	146,640
Total assets	<u>\$ 207,454</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 146,594
Total liabilities	<u>146,594</u>
NET ASSETS	
Unrestricted	60,860
Total net assets	<u>60,860</u>
Total liabilities and net assets	<u>\$ 207,454</u>

See notes to financial statements.

**METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA**

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2011

	Expenses	Program Revenues Operating Grants and Contributions	Net Revenues and Change in Net Assets Governmental Activities Total
Governmental activities:			
General government			
Transportation planning services	\$ 786,770	\$ 763,455	\$ (23,315)
Total governmental activities	\$ 786,770	\$ 763,455	\$ (23,315)
 General revenues:			
Member dues			24,000
 Increase in net assets			685
 Net assets - October 1, 2010			60,175
 Net assets - September 30, 2011			\$ 60,860

See notes to financial statements.

**METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA**

**BALANCE SHEET
GOVERNMENTAL FUND**

September 30, 2011

	<u>General Fund</u>
ASSETS	
Cash	\$ 60,814
Accounts receivable	146,640
Total assets	<u>\$ 207,454</u>
LIABILITIES	
Current liabilities	
Accounts payable	<u>\$ 146,594</u>
Total liabilities	<u>146,594</u>
FUND BALANCE	
Unassigned	<u>60,860</u>
Total fund balance	<u>60,860</u>
Total liabilities and fund balance	<u>\$ 207,454</u>

Total fund balance is the same as net assets in the Statement of Net Assets.

See notes to financial statements.

**METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA**

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES				
State of Florida, Department of Transportation grants	\$ 639,900	\$ 639,900	\$ 636,481	\$ (3,419)
State of Florida, Transportation Disadvantaged Commission	22,100	22,100	19,955	(2,145)
Member dues - Alachua County	9,600	9,600	9,600	-
Member dues - City of Gainesville	14,400	14,400	14,400	-
In-kind contributions (FDOT)	107,000	107,000	107,019	19
Total revenues	<u>793,000</u>	<u>793,000</u>	<u>787,455</u>	<u>(5,545)</u>
EXPENDITURES				
Professional contractual services	667,800	663,700	664,487	(787)
Other	18,200	22,300	15,264	7,036
In-kind services (FDOT)	107,000	107,000	107,019	(19)
Total expenditures	<u>793,000</u>	<u>793,000</u>	<u>786,770</u>	<u>6,230</u>
Net change in fund balance	-	-	685	685
Fund balance, October 1, 2010	<u>60,175</u>	<u>60,175</u>	<u>60,175</u>	-
Fund balance, September 30, 2011	<u>\$ 60,175</u>	<u>\$ 60,175</u>	<u>\$ 60,860</u>	<u>\$ 685</u>

The amounts in the Statement of Revenues, Expenditures, and Changes in Fund Balance of the General Fund are the same as the corresponding amounts reported for governmental activities in the Statement of Activities.

See notes to financial statements.

**METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA**

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area (the Organization), is a political subdivision created pursuant to provisions of Chapter 163, *Florida Statutes*. The Organization was established in 1977 by an interlocal agreement between the City of Gainesville, Alachua County and Florida Department of Transportation. It is governed by a fifteen-member board, including the five members of the Alachua County Board of County Commissioners, the seven members of the City of Gainesville City Commission, and non-voting representatives of the University of Florida, the Florida Department of Transportation and a rural advisor selected by the Alachua County League of Cities. The Organization is not currently subject to state or federal income taxes. Staff services are provided by the North Central Florida Regional Planning Council.

The financial statements of the Organization have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Organization's accounting policies are described below:

A. Reporting entity - As required by generally accepted accounting principles, these financial statements present the Organization and any component units, entities for which the primary government is considered to be financially accountable. There are no entities that would be considered component units of the Organization.

B. Basic financial statements - Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type.

Government-wide financial statements report information about the reporting unit as a whole. For the most part, the effect of any interfund activity has been removed from these statements. These statements focus on the sustainability of the Organization as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Assets and the Statement of Activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Any other items not reported as program revenues are reported instead as general revenues.

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. The Organization only reports a general fund which is a governmental fund.

C. Measurement focus, basis of accounting, and basis of presentation - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. A 120 day availability period after year end is used for revenue recognition. Expenditures are recorded when the related fund liability is incurred.

The Organization reports deferred revenue as applicable on its governmental fund balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition on the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The Organization reports the following fund:

General Fund

This is the general operating fund of the Organization. It is used to account for all financial resources of the government, except those required to be accounted for in another fund.

D. Cash and cash equivalents - As applicable year to year, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

E. Cash and Investments - Cash deposits are held by a bank qualified as a public depository under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, *Florida Statutes*.

F. Pervasiveness of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. BUDGETARY PROCESS

The Organization follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. In March, staff members begin preparing a budget for the fiscal year commencing the following October 1, based on work outlined in the Unified Planning Work Program.
- b. In August, the Organization adopts and approves the budget.
- c. Actual contracts accepted by the Organization throughout the year necessarily have an impact on approved budget operating levels. Should any major changes be needed, due to unforeseen contracts or the need to appropriate additional funds, the budget is then redeveloped for consideration by the Organization.
- d. The budget is adopted on a basis consistent with generally accepted accounting principles. The legal level of budgeting control is the fund level.

NOTE 3. CONCENTRATION OF CREDIT RISK

Significant concentration of credit risk for financial instruments owned by the Organization are as follows:

- a. **Accounts and grants receivable** - Substantially all of the Organization's receivables are for amounts due from federal, state and local governmental agencies under cost reimbursement contracts. The Organization has no policy requiring collateral or other security to support its receivables.
- b. **Cash and cash equivalents** - At September 30, 2011, the carrying amount of the Organization's bank deposits was \$60,814. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

SINGLE AUDIT AND COMPLIANCE SECTION

METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION FOR THE GAINESVILLE URBANIZED AREA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Fiscal Year Ended September 30, 2011

Federal Grantor/Pass-Through Grantor/ State Grantor Program Title	CFDA/ CSFA Number	Grantor's Number	Program Award/Matching Amount	Accrued (Deferred) Prior Year	Received/ Reported Prior Year	Current Year Revenues	Current Year Expenditures
FEDERAL AWARDS							
MAJOR PROGRAMS							
U.S. Department of Transportation							
Passed through the State of Florida							
Department of Transportation:							
Highway Planning and Construction							
2010-2011 and 2011-2012; FPID # 0241							
(048M), FIN # 214094-9-14-01: Grant award	20.205	APW92	\$ 975,317	\$ -	\$ 142,114	\$ 462,204	\$ 462,204
			<u>975,317</u>	<u>-</u>	<u>142,114</u>	<u>462,204</u>	<u>462,204</u>
NONMAJOR PROGRAMS							
Federal Transit: Metropolitan							
Planning Grants							
2010-11; FPID # 411762-3-14-11							
Grant award	20.505	AQ251	126,904	-	-	126,904	126,904
State match			15,863	-	-	15,863	15,863
			<u>142,767</u>	<u>-</u>	<u>-</u>	<u>142,767</u>	<u>142,767</u>
Total federal awards			<u>\$ 1,118,084</u>	<u>\$ -</u>	<u>\$ 142,114</u>	<u>\$ 604,971</u>	<u>\$ 604,971</u>
STATE FINANCIAL ASSISTANCE							
State of Florida Department of Transportation							
Transportation Disadvantaged							
2010-11	55.002	AQ029	\$ 22,162	\$ -	\$ 5,542	\$ 16,620	\$ 16,620
2011-12	55.002	AQC07	22,234	-	-	3,335	3,335
			<u>44,396</u>	<u>-</u>	<u>5,542</u>	<u>19,955</u>	<u>19,955</u>
Intermodal Development Program							
2008-09; FPID # 424402-1-18-01	55.014	APC33	250,000	-	218,490	31,510	31,510
Total State Financial Assistance			<u>\$ 294,396</u>	<u>\$ -</u>	<u>\$ 224,032</u>	<u>\$ 51,465</u>	<u>\$ 51,465</u>

Note 1: Summary of Significant Accounting Policies - The Schedule of Expenditures of Federal Awards and State Financial Assistance utilizes the same basis of accounting as the primary government financial statements.

Note 2: Total Federal Awards Expenditures contain \$ 15,863 in State Match Funds required under the Federal Grants.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To Metropolitan Transportation
Planning Organization for the
Gainesville Urbanized Area

We have audited the basic financial statements of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area (the Organization) as of and for the year ended September 30, 2011, and have issued our report thereon dated January 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Organization, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

POWELL & JONES
January 10, 2012

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To Metropolitan Transportation
Planning Organization for the
Gainesville Urbanized Area

Compliance

We have audited the compliance of Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area (the Organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the fiscal year ended September 30, 2011. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal awards programs for the year ended September 30, 2011.

Internal Control Over Compliance

The management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal award programs. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion for compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent

or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Organization, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

POWELL & JONES
Certified Public Accountants
January 10, 2012

**METROPOLITAN TRANSPORTATION PLANNING ORGANIZATION
FOR THE GAINESVILLE URBANIZED AREA**

SCHEDULE OF FINDINGS

For the Fiscal Year Ended September 30, 2011

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified? No
- Reportable condition identified not considered to be material weakness? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness identified? No
- Reportable condition identified not considered to be material weakness? None reported

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
20.205	U.S. Department of Transportation Highway Planning and Construction
20.505	Federal Transit-Metropolitan Planning Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes

Section II. Findings Related to the Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards None

Section III. Findings and Questioned Costs of Federal Awards None

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To Metropolitan Transportation
Planning Organization for the
Gainesville Urbanized Area

We have audited the basic financial statements of the Metropolitan Transportation Planning Organization for the Gainesville Urbanized Area (the Organization) as of and for the year ended September 30, 2011, and have issued our report thereon dated January 10, 2012.

We have issued our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, dated January 10, 2012. Disclosures in that report, if any, should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following items be addressed in this letter.

PRIOR YEAR FINDINGS – There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS - There were no reportable findings in the current year.

FINANCIAL COMPLIANCE MATTERS

Investment of Public Funds – The Organization complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the fiscal year.

Financial Emergency Status – Nothing came to our attention that caused us to believe that the Organization had met any of the conditions described in Section 219.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment – As required by the *Rules of the Auditor General* (Section 10.544(7)(c) and 10.550(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

We noted no deteriorating financial conditions as defined by Rule 10.544(1)(d).

Our audit did not disclose any further items that would be required to be reported under *Rules of the Auditor General* Chapter 10.550.

CONCLUSION

We very much enjoyed the challenge and experiences with this audit of the Organization. We appreciate the helpful assistance of the Organization staff in completing our audit and also the generally high quality of the Organization's financial records and internal controls.

POWELL & JONES

Certified Public Accountants

January 10, 2012